

## Utah:

Utah Code § 59-7-101(30)(a) "Unitary group" means a group of corporations that:

Utah Code § 59-7-101(30)(a)(i) are related through common ownership; and

Utah Code § 59-7-101(30)(a)(ii) by a preponderance of the evidence as determined by a court of competent jurisdiction or the commission, are economically interdependent with one another as demonstrated by the following factors:

Utah Code § 59-7-101(30)(a)(ii)(A) centralized management;

Utah Code § 59-7-101(30)(a)(ii)(B) functional integration; and

Utah Code § 59-7-101(30)(a)(ii)(C) economies of scale.

Utah Code § 59-7-101(30)(b) "Unitary group" includes a captive real estate investment trust.

Utah Code § 59-7-101(30)(c) "Unitary group" does not include an S corporation.

Utah Code § 59-7-101(36)(a) "Water's edge combined report" means a report combining the income and activities of:

Utah Code § 59-7-101(36)(a)(i) all members of a unitary group that are:

Utah Code § 59-7-101(36)(a)(i)(A) corporations organized or incorporated in the United States, including those corporations qualifying for the Puerto Rico and Possession Tax Credit as provided in Section 936, Internal Revenue Code, in accordance with Subsection (36)(b); and

Utah Code § 59-7-101(36)(a)(i)(B) corporations organized or incorporated outside of the United States meeting the threshold level of business activity; and

Utah Code § 59-7-101(36)(a)(ii) an affiliated group electing to file a water's edge combined report under Subsection 59-7-402 (2) .

Utah Code § 59-7-101(36)(b) There is a rebuttable presumption that a corporation which qualifies for the Puerto Rico and possession tax credit provided in Section 936, Internal Revenue Code, is part of a unitary group.

Utah Code § 59-7-402(1) Except as provided in Section 59-7-403 , if any corporation listed in Subsection 59-7-101 (36)(a) is doing business in Utah, the unitary group shall file a water's edge combined report.

Utah Code § 59-7-402(2)(a) A group of corporations that are not otherwise a unitary group may elect to file a water's edge combined report if each member of the group is:

Utah Code § 59-7-402(2)(a)(i) doing business in Utah;

Utah Code § 59-7-402(2)(a)(ii) part of the same affiliated group; and

Utah Code § 59-7-402(2)(a)(iii) qualified, under Section 1501, Internal Revenue Code, to file a federal consolidated return.

Utah Code § 59-7-402(2)(b) Each corporation within the affiliated group that is doing business in Utah must consent to filing a combined report. If an affiliated group elects to file a combined report, each corporation within the affiliated group that is doing business in Utah must file a combined report.

Utah Code § 59-7-402(2)(c) Corporations that elect to file a water's edge combined report under this section may not thereafter elect to file a separate return without the consent of the commission.

Section 59-7-404. Calculation of unadjusted income for combined reporting

Utah Code § 59-7-404(1) A group filing a combined report under Section 59-7-402 or 59-7-403 shall calculate unadjusted income of the combined group by:

Utah Code § 59-7-404(1)(a) computing unadjusted income on a separate return basis;

Utah Code § 59-7-404(1)(b) combining income or loss of the members included in the combined report; and

Utah Code § 59-7-404(1)(c) making appropriate eliminations and adjustments between members included in the combined report.

Utah Code § 59-7-404(2) For purposes of this section, if an entity does not calculate federal taxable income, then unadjusted income shall be calculated based on the applicable federal tax laws.

Section 59-7-404.5. Adjustment to apportionment factors for corporations in a combined report - Sales factor - Property factor

For purposes of apportionment under Part 3, Allocation and Apportionment of Income -Utah UDITPA Provisions:

Utah Code § 59-7-404.5(1) corporations filing a combined report under Section 59-7-402 or 59-7-403 may not include intercompany sales or other intercompany transactions between the corporations included in the combined report in determining the sales factor;

Utah Code § 59-7-404.5(2) corporations filing a combined report under Section 59-7-402 or 59-7-403 may not include intercompany rents or other intercompany transactions between the corporations included in the combined report in determining the property factor ; and

Utah Code § 59-7-404.5(3) the amounts of the numerators in this state of the property, payroll, and sales factors of an out-of-state business, as defined in Section 53-2a-1202, that are directly related to disaster- or emergency-related work, as defined in Section 53-2a-1202, during a disaster period, as defined in Section 53-2a-1202, may not be included in the apportionment fraction of the combined group.